

CITY OF RENTON
King County, Washington
January 1, 1992 Through December 31, 1992

Schedule Of Findings

1. The City Of Renton Should Institute A Policy And Procedure For Verification Of The Status Of Contractors That Participate In Federal Programs

Our 1992 audit of the major federal award to the City of Renton from the Federal Aviation Administration revealed that the city does not have a policy or procedure in writing or in effect that addresses verification of the status of the contractors that participate in federal programs.

Federal Register, Vol. 53, No. 48, Friday, March 11, 1988, Rules and Regulations, Subpart C, Section __.35 Subawards to debarred and suspended parties states:

Grantees and subgrantees must not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension."

The lack of a policy and procedure for ensuring compliance with this requirement could result in the city entering into a contract with a party that has been suspended from participation in federal programs. Any federally-funded payments made by the City of Renton to a suspended party would be questioned and potentially disallowed by the federal grantor agency.

The city's grant administrators are aware of this requirement. To date, they have relied on the inclusion of a standard "Non-Collusion and Debarment Affidavit" in the signed contract document. However, until advised by us, they were not aware of the federal publication, *Lists of Parties Excluded from Federal Procurement or Nonprocurement Programs*.

We recommend the following:

- a. Develop and implement a city-wide written policy and procedure for verifying the status of contractors participating in federally-funded projects.
- b. Assist in the implementation of the above-referenced policy and procedure and subscribe to the federal publication, *Lists of Parties Excluded from Federal Procurement or Nonprocurement Programs*.
- c. Further assist in the implementation of the above-referenced policy and procedure and maintain the above-referenced publication in a centrally-available location.